## Pennsylvania Company Settles with Commerce Dept. for Charges of Illegal Exports

WASHINGTON – Under Secretary of Commerce for Industry and Security Eric L. Hirschhorn announced today that the Bureau of Industry and Security (BIS) has reached a civil settlement with Amplifier Research Corporation of Souderton, PA, in connection with the illegal export of U.S.-origin amplifiers controlled for national security reasons to Hong Kong, the People's Republic of China, Singapore, Malaysia, Taiwan, Korea and Thailand. Today's action follows the January, 2013 sentencing of the company's former export coordinator, Timothy Gormley, of North Wales, PA, to 42 months in prison related to the exports, and BIS's September, 2013 10-year denial of Gormley's export privileges as a consequence of his criminal conviction.

In 2010, Under Secretary Hirschhorn stated that individuals will be held accountable for willful violations of the Export Administration Regulations, and not be allowed to hide behind the corporate veil. Mr. Gormley's sentence attests to that commitment.

Under Secretary Hirschhorn said the settlement "holds Amplifier Research responsible for failure to exercise sufficient oversight of its export coordinator." BIS has suspended the civil penalty of \$500,000 because of Amplifier Research's substantial cooperation during the course of the investigation, including submission of a voluntary self-disclosure (VSD) in 2011 that detailed Gormley's actions. Should Amplifier Research violate the regulations during the next two years, the entire penalty will come due.

The settlement also mandates that Amplifier Research hire an expert outside of the company to audit its compliance with export control laws, including recordkeeping. By filing the VSD, Amplifier Research avoided criminal charges against the company itself, and the suspended fine will be waived at the end of the penalty period, provided all commitments are met. This case is a result of an investigation by the Special Agents in the New York Field Office of BIS's Office of Export Enforcement.

Many of Amplifier Research's products have applications in military systems which include radar jamming, weapons guidance systems, and require export licenses. The unlawfully exported amplifiers were valued at approximately \$3 million and were exported between January 2008 and June 2011. Of the 50 unlicensed shipments, 25 were made to the People's Republic of China.

BIS controls exports and reexports of dual-use commodities, technology, and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological weapons non-proliferation, crime control, regional stability, foreign policy and antiterrorism. Criminal penalties and administrative sanctions can be imposed for violations of the Export Administration Regulations. For more information, please visit <a href="www.bis.doc.gov">www.bis.doc.gov</a>.